

**Speech on USAID Forward**

Welcome and thank you for coming. We are excited to host this year's Conflict Mitigation and Management (CMM) Bidders' Conference and are glad to see so many local organizations represented here today. Before the Democracy and Governance Office offers details of this funding opportunity, I would like to take a few minutes to tell you how this conference fits into USAID's new worldwide strategy, "USAID Forward."

USAID Forward is a welcome reform, started in 2010, to forge new partnerships, encourage more innovation, and prioritize greater results. This will happen through more monitoring and evaluations, new science and technology programs, and local organization procurement and implementation. We are expected to change the way we do business.

Over the past fifteen years, USAID suffered a severe reduction in staff while its program budget more than doubled. The only way for us to manage more program funds with less staff was through multi-million dollar awards and contracts with large international organizations. These large organizations adhered to our complex and burdensome requirements and reduced the number of programs USAID Officers had to manage. However, this limited our grant and procurement opportunities for smaller firms and local organizations.

Fortunately increasing USAID staff and USAID Forward allows us to return our focus to local organizations and smaller firms to fully leverage the diversity of talent in country. These new partnerships and local investments are expected to strengthen capacity, operational sustainability, and program ownership for longer-term results; a primary objectives of our development assistance.<sup>1</sup> We have always understood the need to build local leadership and capacity for improved development.

And under these new conditions we intend to do more procurements, grants and contracts with local organizations, like yours. Agency-wide we currently obligate about 2.5% (or \$268 million) of our funds directly to local NGOs. By 2013 USAID will increase direct grants to local NGOs using 4% (or \$428 million) of the total budget and in 2015 we will increase it again to total 6% (or \$642 million) of our budget.<sup>2</sup> As a result, we revised our policy on the use of Fixed Obligation Grants (FOG) in order to create a more flexible grant model for organizations without experience to receive and implement USAID grants.<sup>3</sup> Our Contracts Officer, Ram Gurung, will cover this in detail later.

Also we intend to strengthen local civil society capacity to improve aide effectiveness and sustainability. By making local organizations stronger through organizational capacity building we forge better partnerships that create the foundation for which foreign aid is no longer necessary in the countries where we

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<sup>1</sup> <http://forward.usaid.gov/sites/default/files/Building%20local%20development%20leadership%20PA.pdf> p 2.

<sup>2</sup> <http://forward.usaid.gov/sites/default/files/Building%20local%20development%20leadership%20PA.pdf> p7-8.

<sup>3</sup> <http://forward.usaid.gov/sites/default/files/FOG%20Revision%20PA.pdf>

work.<sup>4</sup> Over the last year, eight USAID Missions created “Local Capacity Development Teams” to increase direct awards to local NGOs and the private sector, as well as build local capacity to receive and manage USAID funds. We’re also exploring this option.<sup>5</sup>

I would like to tell you about our recent USAID Forward successes directly funding local NGOs. First, the Tiger Genome Project – in 2011 we partnered directly with The Center for Molecular Dynamics (CMDN) , a local NGO established in 2007 by dedicated Nepali biotechnologists, scientists, policy makers, medical personnel, program managers and academic leaders. This was the first time CMDN had received direct assistance from USAID. Through a FOG, CMDN will conduct a two year research project, aimed to develop genomic based tools for tiger conservation in Nepal.<sup>6</sup> Next, via the USAID Development Grant Program we directly funded two local NGOs to conduct Water, Sanitation, and Hygiene programs in western Nepal, using cooperative agreements totaling over \$800,000. The Social Empowerment and Building Accessibility Center Nepal (SEBAC) is a first time recipient of USAID funding, while The Environment and Public Health Organization (ENPHO) was once a USAID sub-grantee and has since graduated to a prime-grantee – just the kind of evolution we want to foster. We look forward to working directly with these two WASH organizations over the course of their 3 year programs.<sup>7</sup>

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<sup>4</sup> <http://forward.usaid.gov/reform-agenda/implementation-and-procurement>

<sup>5</sup> <http://forward.usaid.gov/node/331>

<sup>6</sup> See <http://nepal.usaid.gov/our-work/program-area/economic-growth-education-a-food-security/452-nepal-tiger-genome-project.html> ; <http://www.cmdn.org.np/>

<sup>7</sup> <..\..\..\Public\Outreach\Briefing Books\build your own briefing book\2012\Project Description\Health and Family Planning\Su-SUWASTHA - draft.docx> ; <..\..\..\Public\Outreach\Briefing Books\build your own briefing book\2012\Project Description\Health and Family Planning\Safe-WASH -draft.docx>

But, we are not stopping there; we plan to at least double our direct partnerships with local NGOs every year. We are hosting this Bidders' Conference today to continue to encourage local organizations to apply for USAID funds. This Conflict Mitigation grant opportunity will help both of us to achieve our goals, but most importantly begin to create relationships that will pave the way for future collaboration. Please do not hesitate to ask questions and lots of them. We have a panel of experts from the Democracy and Governance, Contract, and Finance Offices prepared to provide you with answers so that you understand how we might work together.

USAID Forward gives us the opportunity to transform the agency and release our full potential to achieve high impact development with your help. This is not a one-time initiative. This is USAID's path *forward*. Please hold us accountable, follow up on other direct grant opportunities share here, ask about our capacity building efforts, let us know about your good work and generally stay connected. Thank you again for your contribution to Nepal's peaceful and prosperous future. I hope to see you again soon.